Jordan serves as a focal point for trade and investment within the Middle East and North Africa region (MENA), particularly for the Iraqi and Gulf markets.
## JORDAN INVESTMENT COMMISSION

### JORDAN: A REFERENCE POINT

<table>
<thead>
<tr>
<th>POPULATION (in million)</th>
<th>AREA (Km²)</th>
<th>GDP (USD billions)</th>
<th>GDP Capita (USD billions)</th>
<th>FDI Inflows (USD billions)</th>
<th>Exports (USD billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Rep. 10.6</td>
<td>Hungary 92,770</td>
<td>Bulgaria 50,446</td>
<td>Russia 9,093</td>
<td>Denmark 3.64</td>
<td>Croatia 12.9</td>
</tr>
<tr>
<td>Hungary 9.8</td>
<td>Portugal 92,218</td>
<td>Slovenia 44,122</td>
<td>Bulgaria 6,993</td>
<td>Bulgaria 1.77</td>
<td>Latvia 11.5</td>
</tr>
<tr>
<td>JORDAN 9.8</td>
<td>JORDAN 89,342</td>
<td>JORDAN 38.68</td>
<td>JORDAN 4,940</td>
<td>JORDAN 1.28</td>
<td>JORDAN 7.8</td>
</tr>
<tr>
<td>Austria 8.7</td>
<td>Austria 83,879</td>
<td>Serbia 37.75</td>
<td>Bosnia &amp; Herzegovina 4,249</td>
<td>Hungary 1.27</td>
<td>Bosnia &amp; Herzegovina 5</td>
</tr>
<tr>
<td>Denmark 5.7</td>
<td>Denmark 42,925</td>
<td>Latvia 27,945</td>
<td>Macedonia, 4,853</td>
<td>Czech Rep. 1.22</td>
<td>Macedonia 4.49</td>
</tr>
</tbody>
</table>

Sources: UNCTAD World Investment Report 2016, WTO Trade Statistics 2015, IMF.
JORDANIAN MERCHANDISE TRADE

Exports by Destination (%, 2015)

- United States: 49.6%
- Saudi Arabia, Kingdom of: 18.5%
- Iraq: 14.8%
- India: 9.6%
- Other: 7.5%

Imports by Source (%, 2015)

- European Union (28): 44.4%
- Saudi Arabia, Kingdom of: 21.6%
- China: 15.0%
- United States: 12.9%
- Other: 6.2%

Total Merchandise Exports, f.o.b. (USD million, 2015): 7,829
Total Merchandise Imports, c.i.f. (USD million, 2015): 20,332

Top Agricultural Exports (USD million, 2015)
- Tomatoes, fresh or chilled (332)
- Live sheep and goats (200)
- Apricots, cherries, peaches (136)
- Other vegetables, fresh or chilled (95)
- Other food preparations (92)

Top Agricultural Imports (USD million, 2015)
- Wheat and meslin (210)
- Rice (190)
- Other food preparation (165)
- Meat of sheep or goats, fresh (160)
- Cane or beet sugar (157)

Top Non-Agricultural Exports (USD million, 2015)
- Other garments (1,128)
- Potassic fertilizers (620)
- Natural calcium phosphate (523)
- Medicaments in doses (405)
- Medicaments not in doses (217)

Top Non-Agricultural Imports (USD million, 2015)
- Petroleum oils, other than crude (1,386)
- Petroleum oils, crude (1,311)
- Motor cars (1,049)
- Gold (866)
- Petroleum gases (708)

JORDANIAN TRADE IN SERVICES

Commercial Services Exports (USD million, 2015): 5,760
Commercial Services Imports (USD million, 2015): 4,578

Top Exports in Services (USD million, 2015)
- Transport (1,274)
- Travel (4,065)
- Other commercial services and goods-related services (421)

Top Imports in Services (USD million, 2015)
- Transport (2,492)
- Travel (1,160)
- Other commercial services and goods-related services (926)

FDI INFLOWS TO JORDAN

FDI Inflows (USD millions, 1980-2015)

FDI INFLOWS TO JORDAN (CAPEX 2003-2017)

- **287** FDI projects recorded, 94.4% of which are new investments, with an estimated capital investment of **USD 47.19 billion** and an estimated number of jobs created of **61,846**

FDI trends:
- **By sector** by number of projects: financial services; business services; hotels & tourism; real estate; software & IT services; communications; alternative/renewable energy; food & tobacco; chemicals; and transportation.
- **By business activity** by number of projects: business services; sales, marketing & support; manufacturing; construction; electricity; logistics, transportation & distribution; headquarters; education & training; customer care centre and design, development & testing.
- **By source country** by number of projects: UAE, US, Kuwait, Saudi Arabia, France, UK, Bahrain, Lebanon, Egypt and South Korea.
- **By destination city** by number of projects: Amman, Aqaba, Ma’an, Mafraq, Irbid, Karak, Risha, Shmeisani, Um Arrassas

**Top companies** by number of project: BLOM Bank, Jordan Dubai Islamic Bank, Arab Orient Insurance, Jordan Islamic Bank (Albaraka Bank Jordan), UAE Exchange Centre, LG Electronics, Al Maabar, Gulf Finance House (GFH), National Bank of Abu Dhabi, and Emaar Jordan.

*Source: The Financial Times’ fDi Markets 2017.*
TRADE WITH THE EU

- Jordan’s Imports from the EU (USD millions, 2015): 4,426.2 - Machinery and transport equipment (32%), Agricultural products (17.4%), Chemicals (15.3%)

- Jordan’s Imports of Services from the EU (USD millions, 2015): 982

- Jordan’s Exports to the EU (USD millions, 2015): 223.8 - Chemicals (31%), and Machinery and transport equipment (20.8%)

- Jordan’s Export of Services to the EU (USD millions, 2015): 546

FDI FROM THE EU

- Inward FDI from the EU (USD millions, 2015): 108.8

- EU FDI Stocks in Jordan (USD millions, 2015): 2,721

Sources: ITC Trade Statistics (COMTRADE), Observatory of Economic Complexity, European Commission Online Portal, Jordan Times Online Portal.
## JORDAN: A TRULY COMPETITIVE REGIONAL PLAYER

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Rank/139</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jordan</td>
</tr>
<tr>
<td>Higher Education and training</td>
<td></td>
</tr>
<tr>
<td>Quality of the education system</td>
<td>28</td>
</tr>
<tr>
<td>Extent of staff training</td>
<td>42</td>
</tr>
<tr>
<td>Labor market efficiency</td>
<td></td>
</tr>
<tr>
<td>Hiring and firing practices</td>
<td>33</td>
</tr>
<tr>
<td>Redundancy costs weeks of salary</td>
<td>7</td>
</tr>
<tr>
<td>Financial market development</td>
<td></td>
</tr>
<tr>
<td>Ease of access to loans</td>
<td>18</td>
</tr>
<tr>
<td>Venture capital availability</td>
<td>24</td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
</tr>
<tr>
<td>University-industry collaboration in R&amp;D</td>
<td>38</td>
</tr>
<tr>
<td>Availability of scientists and engineers</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: WEF Global Competitiveness Report 2016-2017
JORDAN: A TRULY COMPETITIVE REGIONAL PLAYER

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Rank/190</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jordan</td>
</tr>
<tr>
<td>Overall Ranking</td>
<td>118</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>48</td>
</tr>
<tr>
<td>Registering Property</td>
<td>96</td>
</tr>
<tr>
<td>Paying taxes</td>
<td>79</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>50</td>
</tr>
</tbody>
</table>

A PRIVILEGED LOCATION WITH ACCESS TO OVER 1 BILLION PEOPLE

Regional Free Trade Area
- Greater Arab Free Trade Agreement (18 Arab countries)
- EU-Jordan Association Agreement.
- European Free Trade Association - EFTA (Norway, Switzerland, Iceland and Liechtenstein).

Bilateral Free Trade Agreements
- USA
- Singapore
- Turkey
- Canada

Source: UNCTAD Investment policy Hub
EU-JORDAN ASSOCIATION AGREEMENT – RELAXATION OF RULES OF ORIGIN*

• More relaxed rules of origin enables industries in Jordan to export goods made using 70% of non-local materials. The agreement covers 52 product groups manufactured in 18 industrial and development zones.

• The workforce in the specified industrial zones must be comprised of at least 15% Syrian refugees, a number that will increase to 25% in 2019. After 200,000 Syrian refugees are employed, the relaxed rules of origin will be extended to other industries.

• The agreement is valid for 10 years.

• Products include: apparel, electric and electronic appliances, cables, furniture, buses, cement, precious metals, paints, cosmetics, cleaning agents and soaps, chemicals, stone and marble, and plastics.

*Decision No 1/2016 of the EU-Jordan Association Committee of 19 July 2016 amending the provisions of Protocol 3 to the Euro-Mediterranean Agreement establishing an Association between the EC and Jordan, concerning the definition of the concept of originating products’ and the list of working or processing required to be carried out on non-originating materials in order for certain categories of products, manufactured in dedicated development zones and industrial areas, and connected with generating employment for Syrian refugees and Jordanians, to obtain originating status [2016/1436].
DEVELOPMENT ZONES, INDUSTRIAL AREAS AND ESTATES ELIGIBLE UNDER EU-RRO

US-JORDAN FREE TRADE AGREEMENT

• In terms of local content requirements, products must contain at least 35% domestic content, i.e. no less than 35% of the customs value of the imported product must be attributed to domestic origin materials and/or domestic direct costs of processing; origin cumulation with the other party is permitted up to a ceiling of 15% of the customs value.

• Since the full implementation of tariff concessions under the US-Jordan FTA, the private sector may choose to export either through the Qualified Industrial Zones-QIZ (designated industrial parks in Egypt and Jordan from which goods can be exported duty-free and quota-free to the US), or through the FTA arrangement. While the QIZ Initiative has no expiry date, most QIZ factories shifted their exports to FTA arrangement to reduce time and cost of production.

JORDAN’S TRANSPORT INFRASTRUCTURE

- 3 major airports in Jordan; 2 in Amman and one in Aqaba. Jordan's main airport is the **Queen Alia International Airport** handling the majority of all passengers – over 7 million in 2015; with routes to over 45 international destinations.

- Highway network consists of 2,754 km of highway, 1,894 km of secondary roads, and 2,651 of rural roads.

- The railway runs across the country from the northern Syrian border to the southern border with the Kingdom of Saudi Arabia.

- GoJ introduced the National Rail Network Project aiming to develop a rail network linking Jordan to Saudi Arabia, Syria, Turkey, and certain European countries.

DEVELOPMENT ZONES

- Jordan Development Zone
- Irbid Development Zone
- Amman Development Zone
- Mafraq Development Zone
- Ma’an Development Zone
- Aqaba Special Economic Zone

Taxes:
- 0% Dividends Tax
- 0% Income Tax on Exports
- 0% Sales Tax
- 0% Import Duties
- 0% Social Services Tax
- 5% Income Tax
### JORDAN INVESTMENT COMMISSION

#### DEVELOPMENT ZONES

<table>
<thead>
<tr>
<th>Development Zone</th>
<th>Industry Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqaba Special Economic Zone</td>
<td>Logistics, Warehouses, Transportation, and Tourism</td>
</tr>
<tr>
<td>Jordan Development Zone (Jabal Ajloun and the Dead Sea)</td>
<td>Tourism, Hospitality and Eco-tourism</td>
</tr>
<tr>
<td>King Hussein Business Park Development Zone</td>
<td>Mixed-use Technology and Business Park</td>
</tr>
<tr>
<td>Irbid Development Zone</td>
<td>IT/BPO Services R&amp;D and Healthcare</td>
</tr>
<tr>
<td>KHBTDA (Mafraq)</td>
<td>Industrial (Light And Medium) and Logistics Hub, Strategically Located Between Syria, Iraq, and Saudi Arabia</td>
</tr>
<tr>
<td>Ma'an Development Zone</td>
<td>Industrial Park for Light, Medium and Heavy Industries; Ceramics, Plastics, Electrical Appliances and Renewable Energy.</td>
</tr>
</tbody>
</table>
JORDAN INVESTMENT COMMISSION

JORDAN INDUSTRIAL ESTATES COMPANY – JIEC

• JIEC adopts the concept of modern industrial estates and ensures the provision of world-class infrastructure and services.
• Industrial Estates are distributed among different regions of the Kingdom: Sahab, Irbid, Karak, Al Muwaqqar, and Aqaba
• Future projects will operate in the following areas: Salt, Mafraq, Madaba, Zarqa, Tafileh, Jerash and Ajloun
JORDAN INVESTMENT COMMISSION

FREE ZONES: HIGH QUALITY INFRASTRUCTURE AND OPERATING ENVIRONMENT

Jordan has 5 Public Free Zones and 32 Private Free Zones which include the necessary facilities, services and infrastructure such as electricity, water, modern telecommunication networks, in addition to modern networks of internal roads, yards and storage facilities.

Enterprises registered in the Free Zones enjoy automatic exemptions on:
• Income tax on profits generated from certain activities;
• Income tax on salaries;
• Custom duties and all taxes and fees on exports;
• Buildings and constructions inside the zones.
Enterprises operating in the Aqaba Special Economic Zone benefit from:

- Corporate Income Tax (CIT) reduced to 5% (indefinitely).
- General Sales Tax (GST) exemption for goods and services imported/sold inside the Zones (indefinitely).
- Customs duty exemption for the import of goods (indefinitely).
## CORPORATE TAXATION

<table>
<thead>
<tr>
<th>Domestic companies and foreign operating branches:</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>35</td>
</tr>
<tr>
<td>Major telecom companies, electricity distribution and generation companies, mining companies, insurance and re-insurance companies, brokerage, legal persons who practice financial leasing.</td>
<td>24</td>
</tr>
<tr>
<td>Industrial sector</td>
<td>14</td>
</tr>
<tr>
<td>All legal persons except what was stated above</td>
<td>20</td>
</tr>
</tbody>
</table>

## DOING BUSINESS – TAXATION BENCHMARKING

<table>
<thead>
<tr>
<th></th>
<th>Jordan</th>
<th>Egypt</th>
<th>Lebanon</th>
<th>Turkey</th>
<th>UAE</th>
<th>MENA Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Rank</td>
<td>79</td>
<td>162</td>
<td>67</td>
<td>128</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Payments (number per year)</td>
<td>25.0</td>
<td>29.0</td>
<td>20.0</td>
<td>11.0</td>
<td>4.0</td>
<td>10.9</td>
</tr>
<tr>
<td>Time (hours per year)</td>
<td>145.0</td>
<td>392.0</td>
<td>181.0</td>
<td>216.5</td>
<td>12.0</td>
<td>163.4</td>
</tr>
<tr>
<td>Total Tax Rate (% of profit)</td>
<td>27.6</td>
<td>43.5</td>
<td>30.3</td>
<td>41.1</td>
<td>15.9</td>
<td>40.9</td>
</tr>
</tbody>
</table>

OTHER TAXATION

Capital Gains Tax
Capital gains are taxed at the appropriate corporation tax rate if the assets are subject to depreciation rules.

Tonnage Tax for Shipping Industries
Tonnage Tax for shipping industries is not applicable in Jordan.

Dividend Distribution Tax
Profits from stocks and dividends distributed by a resident to another resident are exempted, except profits of mutual investment, funds of banks and financial companies.

Branch Profits Tax
Existing foreign investments are subjected to 10% tax ratio, based on net income declared in their final accounts which are certified by an external certified auditor.

Sales Tax/ Value-Added Tax (VAT)
The rates of sales tax are:
• 16% as a general rate for goods and services;
• 8% on home Internet, building iron, reinforcement steel, certain types of food.
• 4% for specified agricultural products, fruits, meat, vegetables and live animals;
• Zero rate for a list of specified products like energy-saving products and pharmaceutical industry inputs.

Reorganizes the various investment related entities (Jordan Investment Board, Development and Free Zones Commission, and Export Promotion Department) into the Investment Commission.

Creates the Investment Council, chaired by the Prime Minister and with equal representation from the public and private sector.

Expanding the sectors covered within the law to include: Crafts and Services; Industry; Agriculture; Hotels; Hospitals; Entertainment cities; Research Centers; Media Production; Convention Centers; Transport, Distribution and/or Extraction of water, Gas and Oil derivatives using pipelines; Air Transport, Sea Transport and Railways.
Empowers the One Stop Shop representatives to issue permits and licenses

Automatic exemptions (sales tax and custom duties) for goods and services, and on production inputs (for industrial purposes) and fixed assets

Income tax exemptions based on geographic locations of at least 30%

Further incentives in Development Zones and Industrial Estates.

Protection of investments, permissibility of full foreign ownership, and no restrictions on repatriation of profits
JORDAN INVESTMENT COMMISSION

INVESTOR GUARANTEES AND PROTECTION

- Jordan guarantees equal treatment and non-discrimination.
- Foreigners can invest in all sectors of the Jordanian economy with some exceptions*
- No restrictions on capital transfers and repatriation of profits.
- Foreign residents may open accounts in local and foreign currency and may repatriate capital in convertible currency.
- No expropriation (unless public interest) without fair compensation paid to Investor by convertible currency.
- If investment disputes arise and these cannot be resolved within a period of six months, parties may settle the dispute through arbitration in accordance with provisions of Jordan Arbitration Law or refer the dispute to an international center for settlement of investment.

*Periodical publications, investigation and security services, sports clubs (with the exception of health clubs), stone quarrying operations for construction purposes, customs clearance services, or land transportation services. Investors are limited to 50 percent ownership in a number of businesses and services, including printing/publishing companies and aircraft or maritime vessel maintenance and repair services.


- In November 2013, Jordan subscribed to the OECD Declaration on International Investment and Multinational Enterprises.
- Jordan is a member of the International Court for the Settlement of Investment Disputes (ICSID) since 1972.
- Jordan is also a member of MIGA.
SUCCESS STORIES

- **One** of the world’s leading banks
- **Two** of the region’s best international pharmaceutical companies with over **USD 1 billion** in turnover
- **One** of the top global companies with major regional acquisitions in ICT
- **Two** of the leading telecom operators in the world & the region
- The leading home-grown regional FMCG company with a super brand award
- **All of them have chosen to operate in Jordan**
JIC IN A NUTSHELL

JIC Goals

• Promote domestic and foreign investment.
• Ensure sustainability and attractiveness of the investment climate and stimulate economic activity.
• Strengthening confidence in the investment environment, development and organization.
• Increasing exports and open new markets.

JIC Services

1. Direct and practical assistance at all stages of your investment project:
   • Project-Planning Period
   • Development & Implementation
   • Long-Term Follow-Up & Aftercare

2. An Investment Window to satisfy all your licensing, registration and administrative start-up needs;

3. Guidance and granting of incentives and benefits provided under the Investment Law; and

4. Support to open new export markets and increasing market share.
JORDAN OFFERS ONE OF THE MOST RESILIENT INVESTMENT ENVIRONMENTS IN THE REGION, IF NOT, IN THE WORLD…

The 1990 Iraqi invasion of Kuwait, which both reduced its access to cut-rate Iraqi oil and damaged its relations with Saudi Arabia and other oil-rich Arab monarchies. The 2003 US invasion of Iraq, among other things, ended sales of cheap crude, saw an influx of refugees into Jordan and crippled its primary export market. The ongoing civil war in Syria has more than doubled the number of refugees in the country and closed off another export route, while instability in Egypt’s Sinai Peninsula has regularly shut down the pipeline that had been relied upon to supply natural gas for Jordan’s electricity production. For good measure, the 2008-09 global financial crisis inflicted double-digit contractions on many economies.

Despite the above, the Jordanian economy has never stopped growing, however incrementally at times, a performance that economic blogger Julien Brault described in a June 2013 articles in Les Affaires magazine as a “miracle”.

Thank You